

CHAPTER 8

INTER-DEPARTMENT BILLS

OVERVIEW OF INTER-DEPARTMENTAL BILL PROCESS

Inter-Department Bills are used only to reimburse Internal Service funds for the cost of products or services provided by the Internal Service fund on behalf of another agency. All Inter-Department Bills must contain an Internal Service fund as one side of each entry of the Inter-Department Bill.

Internal Service funds are used to account for revenue generated by charges for services provided between departments or agencies within governmental units or between governmental units, on a cost reimbursement basis. The State of Indiana's Internal Service funds are 3930, 5110, 5150, 5200 and 5220. Most ID-Bills are generated by the central services (Motor Pool, Telecommunications, etc.). After an agency has purchased the product or service, central services sends the ID-Bills directly to the Auditor of State for payment. The agency will receive a copy of the ID-Bill with its daily transactions from the Auditor of State.

After receiving an ID-Bill from the Auditor's Office, it should be reviewed and compared to agency's records to verify accuracy of the billing and to the Agency Appropriation and Allotment Trial Balance Report to ensure it was posted to the appropriate fund/center.

For interdepartmental charges for which the supplying agency does not automatically send ID-Bills to the Auditor's Office, the following pages are the instructions for completing, processing, and distribution of the ID-Bills.

ID-Bills should be prepared and submitted to the Auditor's Office in a timely manner. Agencies copies of ID-Bills should be filed chronologically by fund/center.

INSTRUCTIONS FOR COMPLETING INTER-DEPARTMENT BILL

The Inter-Department Bill [Form 43422(R2)] may be completed legibly in ink or typed. It is to be completed by the SUPPLYING AGENCY in the following manner:

1. **CHARGE RECEIVING AGENCY** - Type the agency name and number being charged for a product or service in the spaces provided.
2. **CREDIT SUPPLYING AGENCY** - Type the agency name and number who supplied the product or service in the spaces provided.
3. **DOCUMENT NUMBER - ID###XXXXX** - The document number consists of ten (10) alpha-numeric characters.

Digits 1-2 = ID

ID (pre-printed on the form)

Digits 3-5 = ###

SUPPLYING AGENCY NUMBER

Digits 6-10 = XXXXX

SEQUENTIAL INVOICING SCHEME FOR THE SUPPLYING AGENCY

4. **DATE** - The date of the invoice in month/day/year format.
5. **SHIP TO: AGENCY NAME AND ADDRESS** - The agency name and address being billed.

BODY OF THE INTER-DEPARTMENT BILL - Sixteen lines have been provided. Do not skip lines. Enter the necessary information in the appropriate columns.

Net entries are allowed. For example; the receiving agency may be charged for three types of expenses (3 debit entries to 3 expenditure objects), but the supplying agency may consider the total as one type of revenue (1 credit entry to 1 revenue object). Again, total debits must equal total credits.

6. **FUND NUMBER** - Enter the appropriate fund number.
7. **OBJECT** - Enter the appropriate expenditure or revenue object. Note: All objects will end with a 1 to indicate it is a transfer.
8. **CENTER** - Enter the appropriate center number.
9. **RECEIVING AGENCY OR DEBIT AMOUNT** - Enter the amount being charged to the receiving agency for that fund/ object/center.
10. **SUPPLYING AGENCY OR CREDIT AMOUNT** - Enter the amount being transferred to the supplying agency for that fund/object/center.
11. **DESCRIPTION** - Optional - Enter a brief description of the transaction.
12. **ACCT RULE** - The accounting rule no longer needs to be entered on the Inter-Department Bill.
13. **GRAND TOTAL** - Total each column. **Debits must equal credits.**



INTERDEPARTMENT BILL

State Form 43422 (R2 / 1-91)

Approved by State Board of Accounts 1991

Document number ID _____ (3)				Date (month, day, year) _____ (4)		CHARGE RECEIVING AGENCY		Name of agency _____ (1)		Agency Number _____	
Ship to: (agency name and address) _____ (5)						CREDIT SUPPLYING AGENCY		Name of agency _____ (2)		Agency number _____	
LINE NO.	FUND NUMBER	OBJECT	CENTER	RECEIVING AGENCY OR DEBIT AMOUNT		SUPPLYING AGENCY OR CREDIT AMOUNT		DESCRIPTION		ACCT RULE	
1											
2											
3	(6)	(7)	(8)	(9)		(10)		(11)		(12)	
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
15											
16											
(Debits must equal Credits) (13) GRAND TOTAL											
RECEIVING AGENCY NOTES: When goods / services have been received, sign in the space provided, retain the goldenrod copy for your records, and return the remainder of the ID-Bill set to the billing agency. You will receive the green copy upon liquidation.						APPROVED FOR PAYMENT					
						Signature of receiving agency _____				Date signed (month, day, year) _____	

DISTRIBUTION: White (approval of payment) - Auditor; Green (liquidation) - Receiving agency; Canary (liquidation) - Supplying agency; Pink (receivable) - Supplying agency; Goldenrod (obligation) - Receiving agency

INSTRUCTIONS FOR PROCESSING AND DISTRIBUTION OF ID-BILL

SUPPLYING AGENCY

1. Complete Inter-Department Bill.
2. Send Inter-Department Bill set to receiving agency.

RECEIVING AGENCY

1. Review Inter-Department Bill.
2. If all information is correct:
 - A. Sign and date **Approved for Payment** space.
 - B. Retain the goldenrod copy for your records.
 - C. Return the Inter-Department Bill set to the supplying agency.
3. If all information is not correct, contact the supplying agency.

SUPPLYING AGENCY

1. Review Inter-Department Bill for appropriate signatures.
2. If signed:
 - A. Retain the pink copy for your records.
 - B. Send the original and two copies (canary/green) to the Auditor of State with the I.D. Bills Payable Transmittal (Form DASD-17, State Form 3213).
3. If not signed, contact the receiving agency.

AUDITOR OF STATE

1. Verify all I.D. Bills listed on transmittal are attached.
2. Audit Inter-Department Bill.
3. If all information provided correctly:
 - A. Process.
 - B. Return liquidation copies to each agency.
Green - Receiving Agency
Canary - Supplying Agency
 - C. Retain white copy.
4. If all information is not provided correctly, return to the supplying agency.